

By Representative Kilmer

1                                   A bill to be entitled  
2           An act relating to agriculture; creating ss.  
3           570.251-570.2815, F.S.; creating the "Florida  
4           Agricultural Finance Act"; providing  
5           legislative findings; providing definitions;  
6           establishing the Florida Agricultural Finance  
7           Authority; providing powers and duties;  
8           providing for membership of a board; providing  
9           for terms of board members; providing for  
10          organization of the board; providing general  
11          powers of the authority; providing for an  
12          executive director and specifying duties;  
13          requiring an annual report; providing for the  
14          use of surplus moneys by the authority;  
15          providing for combination of state and federal  
16          programs to facilitate the purposes of the  
17          authority; establishing a beginning farmer loan  
18          program; providing purposes of the loan  
19          program; authorizing the authority to  
20          participate in federal programs; requiring the  
21          authority to provide for loan criteria by rule;  
22          authorizing the authority to provide loan  
23          requirements; authorizing the authority to make  
24          loans to beginning farmers for agricultural  
25          land and improvements and depreciable  
26          agricultural property; authorizing the  
27          authority to make loans to mortgage lenders and  
28          other lenders; authorizing the authority to  
29          purchase mortgage loans and secured loans from  
30          mortgage lenders; providing powers of the  
31          authority relating to loans; providing for the

1 issuance of bonds and notes by the authority;  
2 authorizing the authority to establish bond  
3 reserve funds; providing remedies of  
4 bondholders and holders of notes; providing for  
5 the pledging of bonds by the state; providing  
6 that bonds and notes shall be considered legal  
7 investments; providing requirements with  
8 respect to funds of the authority; authorizing  
9 examination of accounts by the Auditor General;  
10 requiring a report; providing limitation of  
11 liability for members of the authority;  
12 requiring the assistance of state officers,  
13 agencies, and departments; providing for  
14 construction of the act; requiring disclosure  
15 of specified conflicts of interest; prohibiting  
16 certain participation in the event of a  
17 conflict of interest; specifying conflicts of  
18 interest with respect to the executive director  
19 of the authority; providing exemption from  
20 competitive bid laws; providing for receipt of  
21 specified trust assets by the authority;  
22 authorizing the authority to enter into  
23 specified agreements; providing for liability;  
24 providing for additional beginning farmer and  
25 loan assistance programs; authorizing  
26 additional beginning farmer loan program;  
27 requiring the authority to establish and  
28 develop an agricultural loan assistance  
29 program; providing program criteria; requiring  
30 the authority to create and develop alternative  
31 agriculture assistance programs; providing for

1 the adoption of rules with respect to  
2 enforcement of provisions relative to such  
3 programs; authorizing the authority to bring  
4 action for enforcement; creating s. 159.8082,  
5 F.S.; establishing the agricultural development  
6 bond pool; amending s. 159.804, F.S.; providing  
7 for specific allocations of state volume  
8 limitations to the agricultural development  
9 pool; amending s. 159.809; specifying  
10 provisions for bond issuance reports not  
11 received; providing an appropriation;  
12 authorizing the Florida Agricultural Finance  
13 Authority to issue certain limited guarantees  
14 of credit; providing limitations; providing an  
15 effective date.

16  
17 Be It Enacted by the Legislature of the State of Florida:

18  
19 Section 1. Sections 570.251, 570.252, 570.253,  
20 570.254, 570.255, 570.256, 570.257, 570.258, 570.259, 570.260,  
21 570.261, 570.262, 570.263, 570.264, 570.265, 570.266, 570.267,  
22 570.268, 570.269, 570.270, 570.271, 570.272, 570.273, 570.274,  
23 570.275, 570.276, 570.277, 570.278, 570.279, 570.280 and  
24 570.2815, Florida Statutes, are created to read:

25 570.251 Short title.--Sections 570.251-570.2815 may be  
26 cited as the "Florida Agricultural Finance Act."

27 570.252 Legislative findings.--

28 (1) The Legislature finds that the ability of  
29 residents of the state to pursue agricultural enterprises or  
30 enterprises related to agribusiness has been detrimentally  
31 affected by causes and events beyond their control or the

1 control of the state, including treaty-supported foreign  
2 competition, termination of long-established federal subsidy  
3 programs, and a shortage of funds from private market sources  
4 at rates of interest generally available under revenue bond  
5 programs to nonagricultural industry. These conditions have  
6 detrimentally affected the rural agriculture industry in this  
7 state and have made the sale and purchase of agricultural land  
8 by and among family farmers impossible in many parts of this  
9 state. The ordinary operation of private enterprise has not  
10 corrected this situation. Such conditions have worked to the  
11 detriment of the economy and social welfare of the state and  
12 threatens to destroy the basic fabric of rural agriculture,  
13 such as the family farm and rural communities that depend on  
14 agribusiness. The state's farm policy should enhance  
15 opportunities for people to generate farm incomes comparable  
16 to the incomes of other economic sectors. The United States  
17 Congress has recognized the need to provide assistance to the  
18 rural segment of the national economy and has instituted  
19 programs to assist family farmers and agribusiness by means of  
20 tax policy as well as loans, grants, technology transfers, and  
21 credit enhancements to qualified state agencies. The  
22 Legislature should also encourage, by all suitable means,  
23 intellectual, scientific, and agricultural improvement in the  
24 rural parts of this state. The public good is served by a  
25 policy of facilitating access to capital by beginning farmers,  
26 existing farmers, and agribusinesses unable to obtain capital  
27 elsewhere. Therefore, the Legislature finds that conditions  
28 exist in the state which require the creation of a body  
29 politic having corporate power to issue notes, bonds, and  
30 other evidences of indebtedness in order to make or acquire  
31 loans for the acquisition or development of agricultural

1 lands, improvements, and facilities. All of the purposes  
2 stated in this section are public purposes and uses for which  
3 public moneys may be borrowed, expended, advanced, loaned, or  
4 granted.

5 (2) The Legislature recognizes that many of the  
6 programs approved by Congress in the Federal Agricultural  
7 Improvement and Reform Act of 1996 which can supplement and  
8 enhance the authority's mission are being implemented.  
9 Therefore, the authority is granted broad powers to adopt  
10 rules to carry out the purposes set forth in this act to  
11 maximize the benefits to the residents of this state from all  
12 available federal, state, local, or private programs.

13 570.253 Definitions.--As used in this act, the term:

14 (1) "Agricultural improvements" means any  
15 improvements, buildings, structures, or fixtures that are  
16 suitable for use in farming, producing, or processing  
17 agricultural products and are located on agricultural land in  
18 this state. The term includes both any single-family dwelling  
19 located on agricultural land which is or will be occupied by a  
20 beginning farmer and structures attached to or incidental to  
21 the use of the dwelling.

22 (2) "Agricultural land" means land in this state  
23 suitable for use in farming, producing, or processing  
24 agricultural products, specifically including lands so  
25 designated by the Land Acquisition and Management Advisory  
26 Council established under to s. 259.035.

27 (3) "Agricultural producer" means a person that  
28 engages in the business of producing and marketing  
29 agricultural produce in this state and includes a farmer.

30 (4) "Agricultural processor" means a person that  
31 engages in the business of processing agricultural products

1 within this state, including, without limitation, agricultural  
2 commodities, agricultural byproducts, biomass energy and  
3 organic compost processing, and any and all products made or  
4 derived from agricultural or biomass stock as defined by the  
5 authority under rules adopted under chapter 120.

6 (5) "Authority" means the Florida Agricultural Finance  
7 Authority established in s. 570.254.

8 (6) "Bankhead-Jones Farm Tenant Act" means the act  
9 cited as 50 Stat. 522 (1937), formerly codified as 7 U.S.C. s.  
10 1000 et seq., repealed by Pub. L. No. 87-128 (1961).

11 (7) "Beginning farmer" means an individual,  
12 partnership, corporation, limited liability company, limited  
13 agricultural association as defined in s. 604.11, or trust  
14 that engages in farming in this state, and includes:

15 (a) First-time farmers and family farmers as described  
16 in Internal Revenue Code section 147(c)(2), as amended;

17 (b) Existing farmers who have moved, or who intend to  
18 move, from existing agricultural activities to raising new or  
19 alternative agricultural crops under rules adopted by the  
20 authority; and

21 (c) Such other farmers as are designated by rules  
22 adopted by the authority.

23 (8) "Bonds" means bonds issued by the authority.

24 (9) "Conservation farm equipment" means the  
25 specialized planters, cultivators, and tillage equipment used  
26 for reduced tillage or no-till planting of crops, including  
27 anaerobic fermentation facilities, biomass processing  
28 facilities, and solid-waste and water-conservation equipment.

29 (10) "Depreciable agricultural property" means  
30 personal property suitable for use in farming for which an  
31

1 income tax deduction for depreciation is allowable in  
2 computing federal income tax under the Internal Revenue Code.

3 (11) "FAIR Farm Act" means the Federal Agriculture  
4 Improvement and Reform Act of 1996, 110 Stat. 889, et seq., as  
5 amended.

6 (12) "Farming" means the cultivation of land in this  
7 state for the production of agricultural crops, including  
8 biomass and fiber crops, citrus crops, poultry and ratites,  
9 eggs, milk, fruits, nuts, vegetables, flowers, ferns, or other  
10 horticultural crops, grazing and forage production, swine,  
11 livestock, farm-raised deer, aquaculture, hydroponics,  
12 organics, silviculture, forest products, or other such  
13 activities designated by the authority by rule.

14 (13) "Internal Revenue Code" means the Internal  
15 Revenue Code of 1986, as amended.

16 (14) "Lending institution" means a bank, credit union,  
17 trust company, mortgage company, national banking association,  
18 savings and loan association, insurance company, any state or  
19 federal governmental agency or instrumentality, including the  
20 federal land bank or the consolidated farm service agency or  
21 any of its local associations, or any other financial  
22 institution or entity authorized to make farm loans in this  
23 state.

24 (15) "Mortgage" means a mortgage, mortgage deed, deed  
25 of trust, or other instrument creating a first lien, subject  
26 only to title exceptions and encumbrances acceptable to the  
27 authority, including any other mortgage liens of equal  
28 standing with or subordinate to the mortgage loan retained by  
29 a seller or conveyed to a mortgage lender, on a fee interest  
30 in agricultural land and agricultural improvements.

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1       (16) "Mortgage lender" means a bank, trust company,  
2 mortgage company, national banking association, savings and  
3 loan association, insurance company, any state or federal  
4 governmental agency or instrumentality, including, without  
5 limitation, the federal land bank or any of its local  
6 associations or any other financial institution or public or  
7 private entity authorized to make mortgage loans or secured  
8 loans in this state.

9       (17) "Mortgage loan" means a financial obligation  
10 secured by a mortgage.

11       (18) "Note" means a bond anticipation note or other  
12 obligation or evidence of indebtedness issued by the  
13 authority.

14       (19) "Soil and water conservation practices" has the  
15 meaning described in chapter 582, and includes solid-waste and  
16 waste-water disposal systems, anaerobic fermentation systems,  
17 and other facilities designed to process agricultural soil,  
18 water, and matter in an environmentally responsible manner.

19       (20) "Secured loan" means a financial obligation  
20 secured by a chattel mortgage, security agreement, or other  
21 instrument creating a lien on an interest in depreciable  
22 agricultural property.

23       (21) "State agency" means any board, commission,  
24 department, public officer, or other agency or authority of  
25 the state.

26  
27 The authority may by rule define other terms applicable to  
28 this act and may clarify the definitions in this section to  
29 assure eligibility for funds, insurance, or guarantees  
30 available under federal, state, or local laws, to assure  
31 compliance with federal tax law and regulations under the



1 Internal Revenue Code and applicable state statutes, and to  
2 carry out the public purposes of this act.

3 570.254 Establishment of authority; powers and duties;  
4 board; earnings.--

5 (1) There is created a corporation to be known as the  
6 Florida Agricultural Finance Authority. The authority is a  
7 public agency of the state exercising public and essential  
8 governmental functions. The authority shall establish programs  
9 that:

10 (a) Assist farmers, beginning farmers, and  
11 agribusiness in purchasing, leasing, or otherwise acquiring  
12 agricultural land, improvements, technology, and depreciable  
13 agricultural property for farming, including aquaculture.

14 (b) Provide financing to farmers for soil and water  
15 conservation practices.

16 (c) Promote diversification of the farm economy in  
17 this state through the growth and development of new or  
18 alternative crops or livestock and other animals or ratites  
19 not customarily grown or produced in this state or that  
20 emphasize a vertical integration of agricultural products  
21 produced or raised in this state into a finished agricultural  
22 product or byproduct for consumption or use.

23 (d) Assist in financing operating expenses and  
24 cash-flow requirements of farming.

25 (e) Assist qualified producers, processors, and  
26 manufacturers of agriculture products and support  
27 organizations within the state with financing research and  
28 development and other capital requirements or operating  
29 expenses.

30 (2) The powers of the authority are vested in and  
31 exercised by a board of eleven members, which shall include

1 the Governor, or the Governor's designee, who shall be an ex  
2 officio nonvoting member. There shall be six standing members  
3 of the board who shall be designated, one each, by the  
4 following institutions:

5 (a) The Florida Farm Bureau Federation.

6 (b) The Institute of Food and Agricultural Sciences of  
7 the University of Florida.

8 (c) The Florida Agricultural and Mechanical  
9 University.

10 (d) The Florida Agricultural Resources and  
11 Mobilization Foundation, Inc. (FARM Foundation).

12 (e) The Technological Research and Development  
13 Authority.

14 (f) The Florida Bankers Association.

15  
16 The Governor shall appoint three members to the board at  
17 large. The at-large members should be representative of  
18 financial institutions that have experience in agricultural  
19 lending, farmers, or beginning farmers or otherwise be persons  
20 specially interested in agriculture, rural initiatives, and  
21 family farm development and may include appointees of the  
22 Governor's Office of Tourism, Trade, and Economic Development  
23 and Enterprise Florida, Inc.

24 (3) Initially, the six standing members of the board  
25 shall be appointed for terms of 4 years each and the three  
26 at-large members of the board shall be appointed for terms of  
27 3 years each. Thereafter, each member shall be appointed for a  
28 4-year term. Following the initial appointment of members to  
29 the board, each subsequent appointee must be confirmed by the  
30 serving members. A person appointed to fill a vacancy may  
31 serve only for the unexpired portion of the term. A member of

1 the board is eligible for reappointment. An appointed member  
2 may be removed from office by the Governor for misfeasance,  
3 malfeasance, or willful neglect of duty or other just cause,  
4 after notice and hearing, unless the notice and hearing is  
5 expressly waived in writing. An appointed board member may  
6 also serve as a member of any other authority or association.

7 (4) The members shall elect a chair and a vice chair  
8 annually and other officers as necessary. The executive  
9 director of the authority shall serve as secretary to the  
10 board. Meetings of the board must be held at the call of the  
11 chair or upon the request of at least two members and may be  
12 held telephonically as provided in the bylaws of the  
13 authority. Any meeting at which official acts are to be taken  
14 or at which the public business of the authority is to be  
15 transacted or discussed must be open and noticed to the  
16 public.

17 (5) Six voting members of the board constitute a  
18 quorum, and the affirmative vote of a majority of the voting  
19 members is necessary for any substantive action taken by the  
20 board. The majority may not include any member who has a  
21 conflict of interest. A statement by a member that he or she  
22 has a conflict of interest is conclusive for this purpose. A  
23 vacancy in the membership does not impair the right of a  
24 quorum to exercise all rights and perform all duties of the  
25 board.

26 (6) The members of the board may receive per diem and  
27 travel expenses as provided in s. 112.061 while in performance  
28 of their duties.

29 (7) The members of the board shall give bond as  
30 required by law for public officers.

31

1           (8) The net earnings of the authority, beyond that  
2 necessary for retirement of its notes, bonds, or other  
3 obligations or to implement authorized public purposes and  
4 programs, may not inure to the benefit of any person other  
5 than the state. Upon termination of the existence of the  
6 authority, title to all property owned by the authority,  
7 including any net earnings, vests in the state.

8           570.255 General powers.--The authority is granted  
9 powers necessary to carry out its purposes and duties. It may:

10           (1) Issue negotiable bonds and notes to finance its  
11 programs.

12           (2) Sue and be sued in its own name.

13           (3) Have and alter a corporate seal.

14           (4) Make and alter bylaws for its management and  
15 programs.

16           (5) Make and execute agreements, contracts, and other  
17 instruments with any public or private entity, including any  
18 federal governmental agency. The authority may enter into  
19 contracts with any firm of independent certified public  
20 accountants to prepare an annual report on behalf of the  
21 authority. The authority may enter into contracts with  
22 mortgage lenders, insurance companies, or others for the  
23 servicing of mortgages and secured loans. All political  
24 subdivisions, including federal, state, and local agencies,  
25 may enter into contracts and otherwise cooperate with the  
26 authority.

27           (6) Lease, purchase, accept a gift or donation of, or  
28 otherwise acquire, use, own, hold, improve, or deal in or  
29 with, real or personal property, or sell, convey, mortgage,  
30 pledge, lease, exchange, or otherwise dispose of any assets,  
31 loans or equity interests acquired in the financing of

1 projects funded by the authority, or any other property or  
2 interest in property, as the board considers necessary in the  
3 transaction of its business. The authority may not carry out a  
4 program of real estate investment.

5 (7) Procure insurance against any loss in connection  
6 with its operations or property interests, including pool  
7 insurance on any group of mortgages or secured loans.

8 (8) Fix and collect fees and charges for its services.

9 (9) Subject to an agreement with bondholders or  
10 noteholders, invest or deposit its moneys in a manner  
11 determined by the authority, notwithstanding the provisions of  
12 chapters 215 and 216.

13 (10) Accept appropriations, gifts, grants, loans, or  
14 other aid from public or private entities. A record of all  
15 gifts or grants stating the type, amount, and donor must be  
16 clearly set out in the authority's annual report along with  
17 the record of other receipts.

18 (11) Provide public and private entities with  
19 technical assistance, education, counseling, and grants to  
20 assist the authority in matters related to the authority's  
21 purposes.

22 (12) In cooperation with other local, state, or  
23 federal governmental agencies or instrumentalities, conduct  
24 studies of the agricultural needs of the beginning farmer,  
25 agricultural producer, and processor and gather, compile, and  
26 exchange with similar authorities and agencies in other states  
27 data useful to facilitate decisionmaking.

28 (13) Contract with accountants, architects, attorneys,  
29 economists, engineers, housing construction and finance  
30 experts, and other advisors, or enter into contracts for such  
31 services with local, state, or federal governmental agencies.

1       (14) Execute contracts, agreements, leases, and other  
2 instruments with any person, partnership, corporation, limited  
3 liability company, limited agricultural association, or trust,  
4 including, without limitation, any federal, state, or local  
5 governmental agency, and take actions necessary to accomplish  
6 any purpose for which the authority was organized or to  
7 exercise any power expressly granted to the authority.

8       (15) Adopt rules relating to:

9       (a) Programs under the jurisdiction of the authority,  
10 including beginning farmer programs, additional beginning  
11 farmer loan programs, agricultural loan assistance programs,  
12 and alternative agricultural assistance programs.

13       (b) Definitions.

14       (c) Eligibility for programs, eligibility criteria and  
15 determinations, objective criteria and guidelines, and forms  
16 and documents required to implement the authority's programs.

17       570.256 Executive director.--

18       (1) The board shall appoint the executive director of  
19 the authority who serves at the pleasure of the authority.  
20 The executive director must be selected for his or her  
21 administrative ability and knowledge in the field, without  
22 regard to political affiliation.

23       (2) The executive director may not, directly or  
24 indirectly, exert influence to induce any other officer or  
25 employee of the state to adopt a political view or to favor a  
26 political candidate for office.

27       (3) The executive director shall advise the authority  
28 on matters relating to agricultural land and property and  
29 finance; carry out all directives from the authority; and hire  
30 and supervise the authority's staff, which shall include a  
31 general counsel to advise and assist the executive director in

1 carrying out the purposes of this act, pursuant to the  
2 direction of the board.

3 (4) The executive director, as secretary of the  
4 authority, is custodian of all books, documents, minute books,  
5 seals, and papers filed with the authority. The executive  
6 director may authorize duplication of all minutes and other  
7 records and documents of the authority and shall give  
8 certificates under the seal of the authority that the copies  
9 are true copies and that all persons dealing with the  
10 authority may rely upon the certificates.

11 570.257 Annual report.--

12 (1) The authority shall submit to the Governor, the  
13 President of the Senate, the Speaker of the House of  
14 Representatives, and the Auditor General by February 15 of  
15 each year, a complete and economically designed and reproduced  
16 report setting forth:

17 (a) The operations and accomplishments of the  
18 authority.

19 (b) The authority's receipts and expenditures during  
20 the fiscal year, in accordance with the classifications it  
21 establishes for its operating and capital accounts.

22 (c) The authority's assets and liabilities at the end  
23 of its fiscal year and the status of reserve, special, and  
24 other funds.

25 (d) A schedule of the authority's bonds and notes  
26 outstanding at the end of its fiscal year, together with a  
27 statement of the amounts redeemed and issued during its fiscal  
28 year.

29 (e) A statement of the authority's proposed and  
30 projected activities.

31

1       (f) Recommendations to the Legislature, as the  
2 authority determines necessary.

3       (g) An analysis of the needs of beginning farmers and  
4 other farmers in the state, as well as of agribusiness  
5 projects funded by the authority.

6       (2) The annual report, together with the authority's  
7 audited annual statements of financial condition for the  
8 period prepared by the authority's certified public  
9 accountants, including, specifically, their review and  
10 comments on the authority's activities described in paragraphs  
11 (1)(b), (c), and (d), must identify performance goals of the  
12 authority and clearly indicate the extent of progress during  
13 the reporting period in attaining the goals. When possible,  
14 results must be expressed in terms of number of loans and  
15 acres of agricultural land, establishment of new or  
16 alternative agricultural crops, and value-added programs for  
17 farmers and agribusiness in the state.

18       570.258 Surplus moneys.--Moneys declared by the  
19 authority to be surplus moneys that are not required to  
20 service bonds and notes, to pay administrative expenses of the  
21 authority, or to accumulate necessary operating or loss  
22 reserves must be used by the authority to provide loans,  
23 grants, subsidies, and other services or assistance to  
24 beginning farmers or agricultural producers through any of the  
25 programs authorized in this act.

26       570.259 Combination programs.--Programs authorized in  
27 this act may be combined with any other programs authorized by  
28 law or authorized under any federal program or programs of any  
29 other state in order to facilitate the acquisition and  
30 ownership of agricultural land and property by beginning or  
31 existing farmers or to facilitate the implementation of soil



1 and water conservation practices, the implementation of new  
2 and alternative agricultural crops in this state, and the  
3 implementation of the technology transfer between the United  
4 States Department of Agriculture, the State of Florida, and  
5 the Technological Development Research Authority.

6 570.260 Beginning farmer loan program.--

7 (1) The authority shall develop a beginning farmer  
8 loan program to facilitate the acquisition of agricultural  
9 land and improvements and depreciable agricultural property by  
10 beginning farmers. The authority shall exercise its powers in  
11 order to provide financial assistance to beginning farmers in  
12 the acquisition of agricultural land and improvements and  
13 depreciable agricultural property. The authority may  
14 participate in and cooperate with programs of the United  
15 States Department of Agriculture Consolidated Farm Service  
16 Agency, the federal land bank, or any other agency or  
17 instrumentality of the Federal Government, or with any program  
18 of any other state agency in the administration of the  
19 beginning farmer loan program and in the making or purchasing  
20 of bonds, notes, mortgages, or secured loans under this act.

21 (2) The authority may participate in any federal  
22 programs designed to assist beginning farmers or in any  
23 related federal or state programs.

24 (3) The authority shall by rule prescribe the criteria  
25 upon which loans to or on behalf of a beginning farmer program  
26 will be provided. These rules must comply with the  
27 requirements for "first-time farmers" under Section 147 of the  
28 Internal Revenue Code, as amended.

29 (4) The authority may provide in a mortgage or secured  
30 loan made or purchased under this act that the loan may not be  
31 assumed or that any interest in the agricultural land or

1 improvements or depreciable agricultural property may not be  
2 leased, sold, or otherwise conveyed without its prior written  
3 consent, and may provide a due-on-sale clause with respect to  
4 the occurrence of any of the foregoing events without its  
5 prior written consent. The authority may specify by rule the  
6 grounds for permitted assumptions of a mortgage or for the  
7 leasing, sale, or other conveyance of any interest in the  
8 agricultural land or improvements. The authority shall,  
9 however, reserve in a mortgage or secured loan its right to  
10 raise the interest rate of the loan to the prevailing market  
11 rate if the mortgage or secured loan is assumed by a farmer  
12 who is already established in that field at the time of the  
13 assumption of the loan.

14 (5) The authority may participate in any interest in  
15 any mortgage or secured loan made or purchased under this act  
16 with a mortgage or other lender. The participation interest  
17 may be on a parity with the interest in the mortgage or  
18 secured loan retained by the authority, equally and ratably  
19 secured by the mortgage or securing agreement securing the  
20 mortgage or secured loan.

21 570.261 Loans to beginning farmers.--

22 (1) The authority may make mortgage or secured loans,  
23 including, but not limited to, mortgage or secured loans  
24 insured, guaranteed, or otherwise secured by the Federal  
25 Government or a federal governmental agency or  
26 instrumentality, a state agency, or private mortgage insurers,  
27 to beginning farmers to provide financing for agricultural  
28 land and improvements or depreciable agricultural property.

29 (2) Mortgage or secured loans must contain terms and  
30 provisions, including interest rates, and be in a form  
31 established by rule of the authority. The authority may

1 require the beginning farmer to execute a note, loan  
2 agreement, or other evidence of indebtedness and furnish  
3 additional assurances and guarantees, including insurance,  
4 reasonably related to protecting the security of the mortgage  
5 or secured loan, as the authority deems necessary.

6 570.262 Loans to mortgage lenders and other lenders.--

7 (1) The authority may make loans to mortgage lenders  
8 or other lenders on terms and conditions it determines are  
9 reasonably related to protecting the security of the  
10 authority's investment and to administering this act. Mortgage  
11 lenders may borrow from the authority under the provisions of  
12 this section and the rules of the authority.

13 (2) The authority shall require as a condition of each  
14 loan to a mortgage lender that the mortgage lender, within a  
15 reasonable period after receipt of the loan proceeds as the  
16 authority prescribes by rule, enter into written commitments  
17 to make and, within a reasonable period thereafter as the  
18 authority prescribes by rule, disburse the loan proceeds in  
19 new mortgage or secured loans to beginning farmers in an  
20 aggregate principal amount of not less than the amount of the  
21 loan. New mortgage or secured loans must have such terms and  
22 conditions as the authority prescribes by rules and as are  
23 reasonably related to implementing the purposes of this act.

24 570.263 Purchase of loans.--

25 (1) The authority may purchase and make advance  
26 commitments to purchase mortgage or secured loans from  
27 mortgage lenders at prices and upon terms and conditions it  
28 determines. The total purchase price for all mortgage or  
29 secured loans that the authority commits to purchase from a  
30 mortgage lender at any one time may not exceed the total of  
31 the unpaid principal balances of the mortgage or secured loans

1 purchased. Mortgage lenders are authorized to sell mortgage or  
2 secured loans to the authority under the provisions of this  
3 section and the rules of the authority.

4 (2) The authority shall require as a condition of  
5 purchase of mortgage or secured loans from mortgage lenders  
6 that the mortgage lenders certify that the mortgage or secured  
7 loans purchased are loans made to beginning farmers. Mortgage  
8 or secured loans to be made by mortgage lenders must have such  
9 terms and conditions as the authority prescribes by rule. The  
10 authority may commit to purchase mortgage or secured loans  
11 from mortgage lenders in advance of the time the loans are  
12 made by mortgage lenders. The authority shall require as a  
13 condition of a commitment that mortgage lenders certify in  
14 writing that all mortgage or secured loans represented by the  
15 commitment will be made to beginning farmers and that the  
16 mortgage lender will comply with other requirements of the  
17 authority.

18 570.264 Powers relating to loans.--Subject to any  
19 agreement with bondholders or noteholders, the authority may  
20 renegotiate a mortgage or secured loan or a loan to a mortgage  
21 lender in default, waive a default or consent to the  
22 modification of the terms of a mortgage or secured loan or a  
23 loan to a mortgage lender, forgive or forbear all or part of a  
24 mortgage or secured loan or a loan to a mortgage lender, and  
25 commence, prosecute, and enforce a judgment in any action,  
26 including, but not limited to, a foreclosure action, to  
27 protect or enforce any right conferred upon it by law,  
28 mortgage or secured loan agreement, contract, or other  
29 agreement and, in connection with any action, bid for and  
30 purchase the property or acquire or take possession of it,  
31 complete, administer, pay the principal of and interest on any

1 obligations incurred in connection with the property, and  
2 dispose of and otherwise deal with the property in a manner  
3 the authority determines advisable to protect its interests.

4 570.265 Bonds and notes.--

5 (1) The authority may issue its negotiable bonds and  
6 notes in principal amounts that, in the opinion of the  
7 authority, are necessary to provide sufficient funds for  
8 achievement of its corporate purposes, the payment of interest  
9 on its bonds and notes, the establishment of reserves to  
10 secure its bonds and notes, and all other expenditures of the  
11 authority incident to and necessary or convenient to carry out  
12 its purposes and powers. The bonds and notes are to be  
13 investment securities and negotiable instruments within the  
14 meaning of and for all purposes of the Uniform Commercial  
15 Code.

16 (2) Bonds and notes are payable solely from the  
17 moneys, assets, or revenues of the authority and as provided  
18 in the agreement with bondholders or noteholders pledging any  
19 particular moneys, assets, or revenues. Bonds or notes are not  
20 an obligation of this state or any political subdivision of  
21 this state other than the authority within the meaning of any  
22 constitutional or statutory debt limitations, but are special  
23 obligations of the authority payable solely from the sources  
24 provided in this act, and the authority may not pledge the  
25 credit or taxing power of this state or any political  
26 subdivision of this state other than the authority or make its  
27 debts payable out of any moneys except those of the authority,  
28 except under the limited circumstances set forth in s.  
29 570.280.

30 (3) Bonds and notes must be authorized by a resolution  
31 of the authority. A resolution authorizing the issuance of

1 bonds or notes may, however, delegate to an officer of the  
2 authority the power to negotiate and fix the details of an  
3 issue of bonds or notes by an appropriate certificate of the  
4 authorized officer.

5 (4) In addition to any notice required under the  
6 Internal Revenue Code for federally tax exempt bonds, the  
7 authority shall publish a notice of intention to issue bonds  
8 or notes in a newspaper of general circulation published in  
9 the state. The notice must include a statement of the maximum  
10 amount of bonds or notes proposed to be issued and, in  
11 general, what net revenues will be pledged to pay the bonds or  
12 notes and interest thereon. An action may not be brought  
13 questioning the legality of the bonds or notes or the power of  
14 the authority to issue the bonds or notes or as to the  
15 legality of any proceedings in connection with the  
16 authorization or issuance of the bonds or notes after 60 days  
17 from the date of publication of the notice.

18 (5) Bonds and notes issued by the authority for  
19 purposes of financing the beginning farmer loan program  
20 provided in s. 570.260 are exempt from all taxation by the  
21 state, including income taxes, documentary stamp taxes, and  
22 intangible taxes, and interest earned on the bonds and notes  
23 is deductible in determining net income for purposes of the  
24 corporate income tax under chapter 220.

25 570.266 Reserve funds and appropriations.--The  
26 authority may create and establish one or more special funds,  
27 each to be known as a "bond reserve fund," and shall pay into  
28 each bond reserve fund any moneys appropriated and made  
29 available by the state for the purpose of the fund, any  
30 proceeds of the sale of notes or bonds to the extent provided  
31 in the resolutions of the authority authorizing their

1 issuance, and any other moneys that are available to the  
2 authority for the purpose of the fund from any other sources.  
3 Moneys held in a bond reserve fund, except as otherwise  
4 provided in this act, must be used as required solely for the  
5 payment of the principal of bonds secured in whole or in part  
6 by the fund or of the sinking fund payments with respect to  
7 the bonds, the purchase or redemption of the bonds, the  
8 payment of interest on the bonds, or the payments of any  
9 redemption premium required to be paid when the bonds are  
10 redeemed prior to maturity.

11 570.267 Remedies of bondholders and noteholders.--

12 (1) If the authority defaults in the payment of  
13 principal or interest on an issue of bonds or notes at  
14 maturity or upon call for redemption and the default continues  
15 for a period of 30 days, or, if the authority fails or refuses  
16 to comply with the provisions of this act or defaults in an  
17 agreement made with the holders of an issue of bonds or notes,  
18 the holders of 25 percent in aggregate principal amount of  
19 bonds or notes of the issue then outstanding, by instrument  
20 filed in the office of the clerk of the county in which the  
21 principal office of the authority is located and proved or  
22 acknowledged in the same manner as a deed to be recorded, may  
23 appoint a trustee to represent the holders of the bonds or  
24 notes for the purposes provided in this section.

25 (2) The authority or any trustee appointed under the  
26 indenture under which the bonds or notes are issued may, and  
27 upon written request of the holders of 25 percent in aggregate  
28 principal amount of the issue of bonds or notes then  
29 outstanding, shall:

30 (a) Enforce all rights of the bondholders or  
31 noteholders, including the right to require the authority to

1 carry out its agreements with the holders and to perform its  
2 duties under this act.  
3 (b) Bring suit upon the bonds or notes.  
4 (c) By action, require the authority to account as if  
5 it were the trustee of an express trust for the holders.  
6 (d) By action, enjoin any acts or things that are  
7 unlawful or in violation of the rights of the holders.  
8 (e) Declare all the bonds or notes due and payable  
9 and, if all defaults are made good, then with the consent of  
10 the holders of 25 percent of the aggregate principal amount of  
11 the issue of bonds or notes then outstanding annul the  
12 declaration and its consequences.  
13 (3) The trustee has powers necessary for the exercise  
14 of functions specifically set forth or incident to the general  
15 representation of bondholders or noteholders in the  
16 enforcement and protection of their rights.  
17 (4) Before declaring the principal of bonds or notes  
18 due and payable, the trustee shall first give 30 days' notice  
19 in writing to the Governor, to the authority, and to the  
20 Attorney General.  
21 (5) The circuit court has jurisdiction of any action  
22 by the trustee on behalf of bondholders or noteholders. The  
23 venue of the action is in the county in which the principal  
24 office of the authority is located.  
25  
26 The bondholders or noteholders may, to the extent provided in  
27 the resolution to which the bonds or notes were issued or in  
28 its agreement with the authority, enforce any of the remedies  
29 in paragraphs (2)(a)-(e) or the remedies provided in such  
30 proceedings or agreements for and on their own behalf.  
31



1           570.268 Agreement of the state.--The state pledges and  
2 agrees with the holders of any bonds or notes that the state  
3 will not limit or alter the rights vested in the authority to  
4 fulfill the terms of agreements made with the holders of such  
5 bonds or notes or in any way impair the rights and remedies of  
6 the holders of such bonds or notes until the bonds or notes,  
7 together with the interest thereon, plus interest on unpaid  
8 installments of interest, and all costs and expenses in  
9 connection with an action by or on behalf of the holders of  
10 such bonds are fully met and discharged. The authority may  
11 include this pledge and agreement of the state in any  
12 agreement with the holders of bonds or notes.

13           570.269 Bonds and notes as legal investments.--Bonds  
14 and notes are securities in which public officers, state  
15 departments and agencies, political subdivisions, pension and  
16 retirement funds, insurance companies and other persons  
17 carrying on an insurance business, banks, trust companies,  
18 savings and loan associations, investment companies, credit  
19 unions, and other persons carrying on a banking business,  
20 administrators, executors, guardians, conservators, trustees  
21 and other fiduciaries, and other persons authorized to invest  
22 in bonds or other obligations of this state may legally invest  
23 funds, including capital in their control or belonging to  
24 them. Bonds and notes are also securities that may be  
25 deposited with and received by public officers, state  
26 departments and agencies, and political subdivisions for any  
27 purpose for which the deposit of bonds or other obligations of  
28 this state is authorized.

29           570.270 Moneys of the authority.--

30           (1) Moneys of the authority, except as otherwise  
31 provided in this act, must be paid to the authority and must

1 be deposited in a bank or other financial institution  
2 designated by the authority. The moneys of the authority may  
3 be withdrawn on the order of the person authorized by the  
4 authority. Deposits must be secured in the manner determined  
5 by the authority. The Auditor General shall annually examine  
6 the accounts and books of the authority, including its  
7 receipts, disbursements, contracts, leases, sinking funds,  
8 investments, and any other records and papers relating to its  
9 financial standing.

10 (2) The authority may contract with holders of its  
11 bonds or notes as to the custody, collection, security,  
12 investment, and payment of moneys of the authority, of moneys  
13 held in trust or otherwise for the payment of bonds or notes  
14 and to carry out the contract. Moneys held in trust or  
15 otherwise for the payment of bonds or notes or in any way to  
16 secure bonds or notes and deposits of the moneys may be  
17 secured in the same manner as moneys of the authority, and  
18 banks and trust companies may give security for the deposits.

19 (3) Subject to the provisions of any contract with  
20 bondholders or noteholders, the authority shall prescribe a  
21 system of accounts.

22 (4) The authority shall submit to the Governor, the  
23 Auditor General, the President of the Senate, and the Speaker  
24 of the House of Representatives within 30 days of receipt by  
25 the authority a copy of the report of every external  
26 examination of the books and accounts of the authority other  
27 than copies of the reports of examinations made by the Auditor  
28 General.

29 570.271 Limitation of liability.--Members of the  
30 authority and persons acting in its behalf, while acting  
31 within the scope of their employment or agency, are not

1 subject to personal liability resulting from carrying out the  
2 powers and duties given in this act, and the authority may  
3 carry such insurance or other indemnification for any actions  
4 arising out of such duties.

5 570.272 Assistance by state officers, agencies, and  
6 departments.--State officers, departments, and agencies shall  
7 provide services to the authority within their respective  
8 functions as requested by the authority.

9 570.273 Liberal interpretation.--This act, being  
10 necessary for the welfare of this state and its inhabitants,  
11 must be liberally construed to effect its purposes.

12 570.274 Conflicts of interest.--

13 (1) If a member or employee other than the executive  
14 director of the authority has an interest, either direct or  
15 indirect, in a contract to which the authority is a party or  
16 in a mortgage lender or other lender requesting a loan from or  
17 offering to sell mortgage or secured loans to the authority,  
18 the interest must be disclosed to the authority in writing and  
19 must be set forth in the minutes of the authority. The member  
20 or employee having the interest may not participate in an  
21 action by the authority with respect to such contract or  
22 mortgage lender or other lender.

23 (2) This section does not limit the right of a member,  
24 officer, or employee of the authority to acquire an interest  
25 in bonds or notes or limit the right of a member or employee  
26 other than the executive director to have an interest in a  
27 bank, insurance company, or other financial institution in  
28 which the funds of the authority are deposited or which is  
29 acting as trustee or paying agent under a trust indenture to  
30 which the authority is a party; nor does this section, except  
31 as to the disclosures required by subsection (1), preclude an

1 insurance company or financial institution in which an  
2 authority board member or employee, other than the executive  
3 director, has an interest from placing insurance, funding  
4 bonds, or acquiring or selling notes, mortgages, or other  
5 obligations of the authority.

6 (3) The executive director may not have an interest in  
7 a bank or other financial institution in which the funds of  
8 the authority are deposited or which is acting as trustee or  
9 paying agent under a trust indenture to which the authority is  
10 a party. The executive director may not receive, in addition  
11 to fixed salary or compensation, any money or valuable thing,  
12 either directly or indirectly or through any substantial  
13 interest in any other corporation or business unit, for  
14 negotiating, procuring, recommending, or aiding in any  
15 purchase or sale of property or loan made by the authority,  
16 nor may the executive director be pecuniarily interested,  
17 either as principal, co-principal, agent, or beneficiary,  
18 either directly or indirectly or through any substantial  
19 interest in any other corporation or business unit, in any  
20 purchase, sale, or loan.

21 570.275 Exemption from competitive bid laws.--The  
22 authority and all contracts made by it in carrying out its  
23 public and essential governmental functions are exempt from  
24 the laws of the state which provide for competitive bids in  
25 connection with such contracts.

26 570.276 Trust assets.--The authority shall apply to  
27 the United States Secretary of Agriculture, or any other  
28 proper federal official, pursuant and subject to the  
29 provisions of Pub. L. No. 499, s. 2(f), 64 Stat. 152 (1950),  
30 for the transfer of the trust assets held by the United States  
31

1 in trust for the State of Florida under the Bankhead-Jones  
2 Farm Tenant Act, if any.

3 570.277 Agreements.--The authority may enter into  
4 agreements with the United States Secretary of Agriculture  
5 pursuant to Pub. L. No. 499 s. 2(f) (1950), upon terms and  
6 conditions and for periods of time mutually agreeable,  
7 authorizing the authority to accept, administer, expend, and  
8 use in this state all or any part of the trust assets or other  
9 funds in the state which have been appropriated for use in  
10 carrying out the purposes of the Bankhead-Jones Farm Tenant  
11 Act and to do all things necessary to effectuate and carry out  
12 the purposes of such agreements.

13 570.278 Liability.--The United States, the authority,  
14 and the United States Secretary of Agriculture shall be held  
15 free from liability by virtue of the transfer of assets to the  
16 Florida Agricultural Finance Authority as specified in this  
17 act.

18 570.279 Additional beginning farmer loan program.--

19 (1) The authority may enter into a loan agreement with  
20 a beginning farmer to finance, in whole or in part, the  
21 acquisition by construction or purchase of agricultural land,  
22 agricultural improvements, or depreciable agricultural  
23 property in excess of the limits of s. 147 of the Internal  
24 Revenue Code, as amended. The repayment obligation of the  
25 beginning farmer may be unsecured or may be secured by a  
26 mortgage or security agreement or by other security as the  
27 authority determines advisable, and may be evidenced by one or  
28 more notes of the beginning farmer and may be in conjunction  
29 with other federal, state, or local loan programs or grants or  
30 by the authority alone. The loan agreement may contain terms

31

1 and conditions the authority determines advisable, as provided  
2 by rule.

3 (2) The authority may issue its bonds and notes for  
4 the purposes set forth in subsection (1) and may enter into a  
5 lending agreement or purchase agreement with one or more  
6 bondholders or noteholders containing the terms and conditions  
7 of the repayment of and the security for the bonds or notes.  
8 Bonds and notes must be authorized by a resolution of the  
9 authority. The authority and the bondholders or noteholders  
10 may enter into such agreements as provided by rule.

11 570.280 Agricultural loan assistance program.--

12 (1) The authority shall establish and develop an  
13 agricultural loan assistance program to facilitate the  
14 availability of affordable operating capital to farmers,  
15 agricultural producers, or agricultural processors by  
16 providing grants to lending or educational institutions as  
17 provided by this section and under the limited circumstances  
18 set forth in paragraphs (6)(c) and (7)(c), a guarantee by the  
19 authority to a lending institution for a portion of a farmer  
20 loan.

21 (2) The authority shall make available to farmers and  
22 lending institutions eligibility application forms for the  
23 agricultural loan assistance program. Applications to the  
24 authority for assistance under this section must be executed  
25 jointly by the lending institution and the farmer upon  
26 approved forms.

27 (3) The authority shall provide in the agricultural  
28 loan assistance program that a grant will be provided in  
29 conjunction with a farmer's operating loan only if:

30 (a) The farmer is a resident of the state.

31

1       (b) The farmer is an individual, a partnership,  
2 corporation, limited liability corporation, trust, or limited  
3 agricultural association.

4       (c) The farming operation in which the farmer will use  
5 the loan is located within the state.

6       (d) The loan will be used by the farmer for reasonable  
7 and necessary expenses and cash flow requirements of farming  
8 as defined by rules of the authority.

9       (e) The farmer has made full disclosure of the  
10 farmer's finances to the lending institution and to the  
11 authority, to the extent required by the authority.

12       (4) Additional requirements prescribed by the  
13 authority by rule may include, but are not limited to:

14       (a) Participation in federal crop insurance programs,  
15 where available.

16       (b) A consideration of the borrower's agreement to  
17 maintain farm management techniques and standards established  
18 by the authority.

19       (c) Participation in federal farm programs, when  
20 applicable.

21       (d) The maximized use of available loan guarantees  
22 where applicable.

23       (e) A consideration of factors demonstrating the  
24 farmer's need for loan assistance and the probability of  
25 success with the assistance in the farming operation in which  
26 the loan will be used, including net worth, debt-to-asset  
27 ratio, debt service coverage ratio, projected income, and  
28 projected cash flow under rules promulgated by the authority.

29       (5) The authority may participate in and cooperate  
30 with programs of an agency or instrumentality of the Federal  
31 Government in the administration of the agricultural loan

1 assistance program. The authority may provide in the  
2 agricultural loan assistance program that a grant may be  
3 provided in conjunction with a farmer's loan only if the  
4 farmer and lending institution participate in one or more loan  
5 assistance programs of an agency or instrumentality of the  
6 Federal Government which are determined to be appropriate by  
7 the authority.

8 (6) Upon approval of an eligibility application and a  
9 determination by the authority that assistance pursuant to the  
10 agricultural loan assistance program is needed to qualify a  
11 farmer and lending institution for participation in an  
12 appropriate loan assistance program of an agency or  
13 instrumentality of the Federal Government, the authority may:

14 (a) Enter into an agreement with the lending  
15 institution and the farmer to supplement the assistance to be  
16 received pursuant to the federal program, in which agreement  
17 the lending institution shall agree to reduce for up to 3  
18 years the interest rate on the farmer's operating loan to the  
19 rate determined by the authority to be necessary to qualify  
20 the farmer and lending institution for participation in the  
21 federal program, and the farmer shall agree to comply with the  
22 rules and requirements established by the authority.

23 (b) Agree to give the lending institution, for the  
24 benefit of the farmer, a grant in an amount to be determined  
25 by the authority to partially reimburse the lending  
26 institution for the reduction of the interest rate on the  
27 farmer's operating loan under rules established by the  
28 authority.

29 (c) Agree to issue and to issue to the lending  
30 institution a guarantee by the authority of an amount not to  
31 exceed 10 percent of the loan amount of the lending



1 institution to the farmer or \$50,000, whichever is less,  
2 provided that the lending institution shall have submitted to  
3 the authority a letter certificate that such loan assistance  
4 will not be available to the farmer without such guarantee.  
5 The total amount of the authority's guarantees under this  
6 paragraph for a fiscal year shall not exceed the total  
7 appropriated guarantee amount approved for such fiscal year by  
8 the Legislature.

9 (7) Notwithstanding the provisions of subsections (5)  
10 and (6), upon approval of an eligibility application and a  
11 determination by the authority that operating loan assistance  
12 will not be available to an individual farmer and lending  
13 institution on a timely basis pursuant to an appropriate  
14 program of the Federal Government, the authority may:

15 (a) Enter into an agreement with the lending  
16 institution and the farmer in which the lending institution  
17 shall agree to reduce for up to 3 years the interest rate on  
18 the farmer's operating loan to a rate, determined by the  
19 authority, below the lending institution's farm operating loan  
20 rate as certified to the authority, and the farmer shall agree  
21 to comply with the rules and requirements established by the  
22 authority.

23 (b) Agree to give to the lending institution, for the  
24 benefit of the farmer, a grant in the amount, as determined by  
25 the authority, up to 3 percent per annum of up to \$100,000 of  
26 the principal balance of the farmer's operating loan  
27 outstanding from time to time, for the term of the loan or for  
28 3 years, whichever is less, to partially reimburse the lending  
29 institution for the reduction of the interest rate on the  
30 borrower's operating loan. However, the grant must not exceed  
31 50 percent of the amount of interest foregone by the lending

1 institution pursuant to the rate reduction under paragraph  
2 (a).

3 (c) Agree to issue and to issue to the lending  
4 institution a guarantee by the authority of an amount not to  
5 exceed 10 percent of the lending institution's loan amount to  
6 the farmer or \$50,000, whichever is less, provided that the  
7 lending institution shall have submitted to the authority a  
8 letter certificate that such loan assistance will not be  
9 available to the farmer without such guarantee. The total  
10 amount of the authority's guarantees under this paragraph for  
11 a fiscal year shall not exceed the total appropriated  
12 guarantee amount approved for such fiscal year by the  
13 Legislature.

14 (8) The authority may require a lending institution to  
15 submit evidence satisfactory to the authority that the lending  
16 institution has complied with the reduction in the interest  
17 rate as required by an agreement pursuant to subsection (6) or  
18 subsection (7). The authority may inspect any books and  
19 records of a lending institution which are pertinent to the  
20 administration of the agricultural loan assistance program.

21 (9) In order to assure compliance with this section  
22 and rules adopted pursuant to this section, the authority may  
23 establish by rule appropriate enforcement provisions,  
24 including, but not limited to, the payment of civil penalties  
25 by a lending institution or farmer.

26 (10) In no event may the authority or lending  
27 institution charge more than 1.5 percent on the amount of the  
28 loan as a one-time processing charge for any moneys loaned by  
29 the authority or lending institution to the farmer. In making  
30 any loan of the authority's or lending institution's funds  
31

1 under this act, no other fees or interest may be charged to  
2 the farmer for such a loan.

3 570.2815 Alternative agriculture assistance  
4 programs.--

5 (1) The authority shall create and develop programs to  
6 assist farmers, agricultural producers, and agricultural  
7 processors who have established or intend to establish in this  
8 state alternative agriculture production operations.

9 (2) The authority shall develop an insurance or loan  
10 guarantee program to provide for the insuring or guaranteeing  
11 of all or part of a loan made to an agricultural producer for  
12 the acquisition of seed or root stock to establish or expand  
13 an alternative agriculture operation.

14 (3) The authority shall develop a program for  
15 contracting with a participating lending institution and a  
16 qualified agricultural producer to reduce the interest rate  
17 charged on a loan for the acquisition of seed or root stock to  
18 establish or expand an alternative agriculture operation. The  
19 authority shall determine the amount by which the rate is  
20 reduced by considering the lending institution's customary  
21 loan rate for the acquisition of seed or root stock as  
22 certified to the authority by the lending institution. As part  
23 of the contract, in order to partially reimburse the lending  
24 institution for the reduction of the interest rate on the  
25 loan, the authority may agree to grant the lending institution  
26 any amount foregone by reducing the interest rate on that  
27 portion of the loan which is \$100,000 or less. The amount  
28 reimbursed may not be more than the lesser of the following:

29 (a) Three percent per annum of the principal balance  
30 of the loan outstanding at any time for the term of the loan  
31

1 or within 1 year from the loan initiation date as defined by  
2 rules adopted by the authority, whichever is less.

3 (b) Fifty percent of the amount of interest foregone  
4 by the lending institution on the loan.

5 (4) The authority may contract with an agricultural  
6 producer to reimburse the producer for the cost of converting  
7 land planted in row crops or pasture to alternative  
8 agricultural crops. The amount reimbursed must not be more  
9 than \$250 per acre converted, or 50 percent of the conversion  
10 costs, whichever is less. The contract must apply to not more  
11 than 500 acres of crop or pasture land converted to  
12 alternative agricultural crops. The converted land must be  
13 used in alternative agriculture production for a minimum of 5  
14 years. The amount to be reimbursed must be reduced by the  
15 amount that the farmer, agricultural producer, or agricultural  
16 processor receives under any other state or federal program  
17 that contributes toward the cost of converting the same land  
18 from established to alternative agricultural crops.

19 (5) The authority in cooperation with any agency or  
20 instrumentality of the Federal Government or with any state  
21 agency, including any state university or those associations  
22 organized for the purpose of assisting agricultural producers  
23 involved in alternative agriculture production, or with any  
24 farm management company if such company specializes in  
25 alternative agriculture production or in assisting alternative  
26 agriculture producers, as prescribed by rules adopted by the  
27 authority, shall establish programs to train and assist  
28 agricultural producers to effectively manage alternative  
29 agriculture production operations.

30  
31

1       (6) An agricultural producer or processor is eligible  
2 to participate in a program established under this section  
3 based upon criteria established by rules of the authority.

4       (7) The authority shall adopt rules to enforce the  
5 provisions of this section or the terms of a contract to which  
6 the authority is a party. The authority may also enforce the  
7 provisions of this section or terms of the contract by  
8 bringing an action in any court of competent jurisdiction to  
9 recover damages. As a condition of entering into the program,  
10 the authority may require that the agricultural producer  
11 consent to the jurisdiction of the courts of this state to  
12 hear any matter arising from the provisions of this section.

13       Section 2. Section 159.8082, Florida Statutes, is  
14 created to read:

15       159.8082 Agricultural development bond pool.--

16       (1) There is established the agricultural development  
17 bond pool. The agricultural development bond pool is  
18 available solely to provide written confirmations for private  
19 activity bonds to the Florida Agricultural Finance Authority  
20 to finance agricultural development as described in ss.  
21 570.251 - 570.2815. Allocations from this pool must be  
22 awarded for use on a statewide basis pursuant to the  
23 procedures specified in s. 159.805, except that the provisions  
24 of s. 159.805(2) and (3) do not apply. In issuing written  
25 confirmations of allocations for agricultural development  
26 projects, the division must use the agricultural development  
27 bond pool. If allocation is not available from the  
28 agricultural development bond pool, the division must issue  
29 written confirmations of allocations for agricultural  
30 development projects under s. 159.806 or s. 159.807, in that  
31 order. For the purposes of determining priority within a

1 regional allocation pool or the state allocation pool, notices  
2 of intent to issue bonds for agricultural development projects  
3 to be issued from a regional allocation pool or the state  
4 allocation pool are considered to have been received by the  
5 division at the time it is determined by the division that the  
6 agricultural development bond pool is unavailable to issue  
7 confirmation for such agricultural development project.

8 (2) Any written confirmation issued by the director  
9 pursuant to this section has no effect unless the bonds to  
10 which such confirmation applies have been issued by the  
11 Florida Agricultural Finance Authority and written notice of  
12 such issuance has been provided to the director on or before  
13 November 15, unless a carryforward has been granted for the  
14 allocation.

15 Section 3. Section 159.804, Florida Statutes, is  
16 amended to read:

17 159.804 Allocation of state volume limitation.--The  
18 division shall annually determine the amount of private  
19 activity bonds permitted to be issued in this state under the  
20 Code and shall make such information available upon request to  
21 any person or agency. The total amount of private activity  
22 bonds authorized to be issued in this state pursuant to the  
23 Code shall be initially allocated as follows on January 1 of  
24 each year:

25 (1)(a) On January 1, 1993, the first \$75 million of  
26 the state volume limitation shall be allocated to the  
27 manufacturing facility pool established pursuant to s.  
28 159.8081. This allocation shall be increased in subsequent  
29 years in increments of \$7.5 million as follows: On January 1  
30 of each year, if at least 75 percent of the preceding year's  
31 allocation under this subsection was used to issue bonds by

1 November 15 of that year, the allocation to the pool for the  
2 current year must equal the sum of the amount that was  
3 allocated to the pool in the preceding year plus an additional  
4 \$7.5 million. If, however, 75 percent of the preceding year's  
5 allocation was not used to issue bonds by November 15, the  
6 allocation to the pool for the current year must be the same  
7 amount as that allocated to the pool in the preceding year.

8 (b) On January 1, 2000, the next \$10 million of the  
9 state volume limitation must be allocated to the agricultural  
10 development pool established under s. 159.8082. This  
11 allocation must be increased in subsequent years in increments  
12 of \$2 million as follows: on January 1 of each year, if at  
13 least 75 percent of the preceding year's allocation under this  
14 subsection was used to issue bonds by November 15 of that  
15 year, the allocation to the pool for the current year must  
16 equal the sum of the amount that was allocated to the pool in  
17 the preceding year plus an additional \$2 million; if, however,  
18 75 percent of the preceding year's allocation was not used to  
19 issue bonds by November 15, the allocation to the pool for the  
20 current year must be the same amount as that allocated to the  
21 pool in the preceding year.

22 (c)~~(b)~~ If on January 1 of any year, under federal law,  
23 bonds for manufacturing facilities or agricultural development  
24 no longer require or are eligible for an allocation pursuant  
25 to s. 146 of the Code or if a separate volume cap is  
26 established for agricultural development bonds under federal  
27 law, the allocation of the state volume limitation in the  
28 manufacturing facility pool or agricultural development pool,  
29 or both, if applicable shall be divided among the remaining  
30 pools in the following manner: 50 percent to be shared by the  
31 16 regions for use in the manner prescribed in subsection (2);

1 25 percent for use by the Florida Housing Finance Agency in  
2 the manner prescribed in subsection (3); 5 percent for use in  
3 the state allocation pool in the manner prescribed in  
4 subsection (4); and 20 percent for use in the Florida First  
5 Business allocation pool in the manner prescribed in  
6 subsection (5).

7 (d)~~(c)~~ If the state volume limitation imposed on  
8 private activity bonds under s. 146 of the Code is decreased,  
9 the amount allocated to the manufacturing facility pool shall  
10 be decreased in proportion to the percentage the state volume  
11 limitation is decreased.

12 (2)(a) Fifty percent of the state volume limitation  
13 remaining after the allocations ~~allocation~~ made pursuant to  
14 subsection (1) shall be allocated among the regions  
15 established in paragraph (b) for use by all agencies whose  
16 boundaries are coterminous with or contained within each  
17 region. The volume limitation for each regional allocation  
18 pool must be an amount that bears the same ratio to 50 percent  
19 of the state volume limitation remaining after the allocation  
20 made pursuant to subsection (1) for such calendar year as the  
21 population of the region bears to the population of the entire  
22 state.

23 (b) The following regions are established for the  
24 purposes of this allocation:

- 25 1. Region 1 consisting of Bay, Escambia, Holmes,  
26 Okaloosa, Santa Rosa, Walton, and Washington Counties.
- 27 2. Region 2 consisting of Calhoun, Franklin, Gadsden,  
28 Gulf, Jackson, Jefferson, Leon, Liberty, and Wakulla Counties.
- 29 3. Region 3 consisting of Alachua, Bradford, Columbia,  
30 Dixie, Gilchrist, Hamilton, Lafayette, Madison, Suwannee,  
31 Taylor, and Union Counties.



1           4. Region 4 consisting of Baker, Clay, Flagler,  
2 Nassau, Putnam, and St. Johns Counties.

3           5. Region 5 consisting of Citrus, Hernando, Levy,  
4 Marion, Pasco, and Sumter Counties.

5           6. Region 6 consisting of Brevard, Lake, Osceola,  
6 Seminole, and Volusia Counties.

7           7. Region 7 consisting of DeSoto, Hardee, Highlands,  
8 Manatee, Okeechobee, and Polk Counties.

9           8. Region 8 consisting of Charlotte, Collier, Glades,  
10 Hendry, Lee, Monroe, and Sarasota Counties.

11          9. Region 9 consisting of Indian River, Martin, and  
12 St. Lucie Counties.

13          10. Region 10 consisting of Broward County.

14          11. Region 11 consisting of Dade County.

15          12. Region 12 consisting of Duval County.

16          13. Region 13 consisting of Hillsborough County.

17          14. Region 14 consisting of Orange County.

18          15. Region 15 consisting of Palm Beach County.

19          16. Region 16 consisting of Pinellas County.

20           (3)(a) Twenty-five percent of the state volume  
21 limitation remaining after the allocations ~~allocation~~ made  
22 pursuant to subsection (1) shall be allocated to the Florida  
23 Housing Finance Agency for use in connection with the issuance  
24 of housing bonds of that agency or its assigns.

25           (b) The Florida Housing Finance Agency need not apply  
26 to the division for an allocation of its volume limitation  
27 granted under paragraph (a) for bonds it issues prior to July  
28 1 of any year and is not subject to the fee required under s.  
29 159.811. However, for bonds it intends to issue between July  
30 1 and September 29 of any year, utilizing the allocation  
31 granted under paragraph (a), the Florida Housing Finance

1 Agency must submit a notice of intent to issue to the division  
2 not later than June 30 of such year, and a written  
3 confirmation of allocation shall be granted if a sufficient  
4 amount of that allocation is available.

5 (c) The Florida Housing Finance Agency, in its  
6 discretion, may, prior to July 1 of each year, assign any  
7 portion of the Florida Housing Finance Agency allocation to  
8 any agency for the issuance of housing bonds, taking into  
9 consideration the ability of the agency to timely issue such  
10 bonds, the need and public purpose to be served by the issue,  
11 and the ability of the agency to comply with the requirements  
12 of federal and state law. Such assignment is not effective  
13 until receipt by the division of notification of the  
14 assignment. A separate allocation from the division is not  
15 needed for bonds issued prior to July 1 utilizing such an  
16 assignment. An agency that intends to utilize such an  
17 assignment to issue housing bonds between July 1 and September  
18 29 of any year must submit a notice of intent to issue to the  
19 division for the amount of such assignment not later than June  
20 30, and a written confirmation of allocation shall be granted  
21 if a sufficient amount of the allocation under paragraph (a)  
22 is available. Any amounts representing assignments of which  
23 the division had been notified by the Florida Housing Finance  
24 Agency but for which an issuance report or notice of intent to  
25 issue pursuant to this subsection has not been received by the  
26 division by June 30 of any year shall be reallocated to the  
27 state allocation pool on July 1 of that year.

28 (4) Five percent of the state volume limitation  
29 remaining after the allocations ~~allocation~~ made pursuant to  
30 subsection (1) shall be allocated to the state allocation  
31 pool, for use as provided in s. 159.807.

1           (5) Twenty percent of the state volume limitation  
2 remaining after the allocations ~~allocation~~ made pursuant to  
3 subsection (1) shall be allocated to the Florida First  
4 Business allocation pool, to be used as provided in s.  
5 159.8083.

6           Section 4. Subsection (3) of section 159.809, Florida  
7 Statutes, is amended to read:

8           159.809 Recapture of unused amounts.--

9           (3) On November 16 of each year, any portion of the  
10 initial allocation, made pursuant to s. 159.804(1), s.  
11 159.804(5), or subsection (1) or subsection (2), other than as  
12 provided in ss. 159.8082 and ~~s. 159.8083~~, for which an  
13 issuance report for bonds utilizing such an allocation has not  
14 been received by the division prior to that date shall be  
15 added to the state allocation pool.

16           Section 5. The sum of \$500,000 is appropriated from  
17 the General Revenue Fund for purposes of funding the  
18 establishment of the Florida Agricultural Finance Authority  
19 and startup costs in fiscal year 1999-2000. In addition, the  
20 authority shall have the power to issue up to \$3 million in  
21 limited guarantees of credit pursuant to s. 570.280(6)(c) and  
22 (7)(c), Florida Statutes, during fiscal year 1999-2000. Such  
23 guarantee must not be exceeded without prior appropriation by  
24 the Legislature, but any unused portion of the fiscal year  
25 1999-2000 appropriation may be used in subsequent years,  
26 together with any reductions of guarantees by the authority by  
27 reason of satisfactions of guarantees by the lending  
28 institution or otherwise.

29           Section 6. This act shall take effect July 1, 1999.  
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HOUSE SUMMARY

Creates the "Florida Agricultural Finance Act."  
Provides legislative findings. Defines terms for purposes of the act. Establishes the Florida Agricultural Finance Authority for the purpose of undertaking programs to assist farmers, beginning farmers, and agribusiness concerns in the purchase, lease, and acquisition of agricultural land, improvements, and technology, programs aimed at soil and water conservation, and programs that promote diversification of Florida's farm economy. Provides powers and duties of the authority. Provides for membership of a board. Provides for terms of board members and for organization of the board. Provides for the appointment of an executive director and specifies duties. Requires an annual report. Provides for the use of surplus moneys by the authority. Provides for combination of state and federal programs to facilitate the purposes of the authority.

Establishes a beginning farmer loan program. Provides purposes of the loan program. Authorizes the authority to participate in federal programs. Requires the authority to provide for loan criteria by rule. Authorizes the authority to provide loan requirements. Authorizes the authority to make loans to beginning farmers for agricultural land and improvements and depreciable agricultural property. Authorizes the authority to make loans to mortgage lenders and other lenders. Authorizes the authority to purchase mortgage loans and secured loans from mortgage lenders. Provides powers of the authority relating to loans.

Provides for the issuance of bonds and notes by the authority. Authorizes the authority to establish bond reserve funds. Provides remedies of bondholders and holders of notes.

Provides requirements with respect to funds of the authority. Authorizes examination of accounts by the Auditor General. Requires a report. Provides limitation of liability for members of the authority. Requires the assistance of state officers, agencies, and departments. Requires disclosure of specified conflicts of interest and prohibits certain participation in the event of a conflict of interest. Specifies conflicts of interest with respect to the executive director of the authority. Provides exemption from competitive bidding laws. Provides for receipt of specified trust assets by the authority. Authorizes the authority to enter into specified agreements.

Provides for additional beginning farmer and loan assistance programs. Requires the authority to establish and develop an agricultural loan assistance program.

718-110A-99

1 Provides program criteria. Requires the authority to  
2 create and develop alternative agriculture assistance  
3 programs. Provides for the adoption of rules with respect  
4 to enforcement of provisions relative to such programs.  
5 Authorizes the authority to bring action for enforcement.

6 Establishes the agricultural development bond pool to  
7 provide written confirmations for private activity bonds  
8 to the authority to finance agricultural development.  
9 Prescribes procedures for allocations from the pool.  
10 Provides for future increases in the state volume  
11 limitation allocated to the pool.

12 Appropriates \$500,000 from the General Revenue Fund to  
13 finance the establishment and initial year startup costs  
14 of the Florida Agricultural Finance Authority.  
15 Authorizes the authority to issue up to \$3 million in  
16 limited guarantees of credit in its initial year.

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